



State of Utah
School & Institutional
Trust Lands Administration

Gary R. Herbert
Governor

Greg Bell
Lieutenant Governor

Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818
801-538-5100
801-355-0922 (Fax)
www.trustlands.com

S/049/0072
cc: Lynn

0003

December 28, 2009

Clay Peck
Peck Rock & Products, LLC
1512 North 1300 East
Lehi, UT 84043

RE: ML 51630 Volcanic Materials; S/049/0072 Soldier Pass Pumice Mine

Gentlemen:

Please note that the terms and conditions of mineral lease ML 51630 for volcanic materials upon trust lands in Utah County requires Lessee to provide Lessor with a written notification and plan of operations at least 60 days prior to commencing any operations which may disturb the surface of the leased lands. I am enclosing herewith an instruction sheet to guide you in submitting the information that Lessor requires for further review of the proposed Soldier Pass Pumice Mine. Please comply with this request and do not commence any operations upon the leased lands prior to receiving approval from the Trust Lands Administration. Thank you for your cooperation in this matter.

Sincerely

John T. Blake
Trust Lands Minerals Specialist

CC: Lynn Kunzler

RECEIVED

DEC 30 2009

UTAH
LIFE ELEVATED

UTAH COUNTY, SALT LAKE COUNTY

0003

GENERAL INSTRUCTIONS FOR SITLA MINERAL LESSEES/PERMITTEES

SITLA NOTIFICATION REQUIRED: At least 60 days prior to the commencement of any mineral operations upon trust lands under mineral lease or permit the lessee or permittee must submit a written notice of intent (NOI) to the School and Institutional Trust Lands Administration (SITLA), 675 E. 500 So., Suite 500, Salt Lake City, UT 84102. The NOI must include:

- 1) Reference to the mineral lease or permit number and a list of the names, addresses and telephone numbers of the lessee or permittee and of all designated operators of the lessee or permittee;
- 2) A description, with photographs, of all existing drill sites, structures, and other surface disturbances located upon the leased or permitted lands, for which the lessee or permittee does not desire to be held accountable;
- 3) A detailed plan of proposed drilling, mining, beneficiating, and stockpiling of the leased substances, along with a calculation of the total surface acreage proposed for such operations or disturbances;
- 4) Topographic and site maps, at a scale of not less than 50 feet per inch, showing the locations and extent of all proposed exploration drill holes, surface excavations, mining portals, stockpile areas, and any surface facilities to be built or used in conjunction with the proposed minerals operations, as well as the location of existing or proposed access routes to and from the area of proposed operations; and,
- 5) A business plan describing the products to be produced, and a plan for measuring, weighing and accounting for such production. Also a marketing plan, for pricing, selling and distributing each of the products to be produced from the leased or permitted substances. (Royalties accrue at the point of shipment of the marketable products from the leased or permitted premises.)

DOGM PERMIT REQUIRED: Prior to the commencement of any mineral operations upon trust lands the lessee or permittee must contact the Utah Division of Oil, Gas & Mining (DOGM) 1594 West North Temple Street, Salt Lake City, UT 84114, Phone #801-538-5340, to obtain an exploration permit or mining permit and must comply with all filing and regulatory requirements of that agency.

RECLAMATION BOND REQUIRED: Prior to the commencement of any mineral operations upon trust lands under mineral lease or permit the lessee or permittee must obtain an approved reclamation plan for all proposed drill holes or surface disturbances and post a reclamation bond with the DOGM or with SITLA in such form and amount as may be determined by the agency.

CULTURAL RESOURCES SURVEY REQUIRED: Prior to the commencement of any mineral operations upon trust lands under mineral lease or permit the lessee or permittee must obtain a Cultural Resources clearance. The permittee or lessee will be required to schedule and pay for a qualified archeological consultant to survey all of the areas proposed for disturbance and submit a report of findings for review and approval by SITLA.

ACCESS REQUIRED: Prior to the commencement of any mineral operations upon trust lands under mineral lease or permit the lessee or permittee must notify all surface owners and all other trust land lessees having a legal interest in the affected trust lands and must, without expense to the Trust Lands Administration or the State of Utah, resolve any problems relative to access or tenancy of the lands. In the event the surface of the leased or permitted lands is privately owned, the lessee or permittee must obtain and submit to SITLA a written and signed agreement with the surface owner providing for access and use of the surface estate in conjunction with the proposed minerals operation.

OTHER AGENCIES/GOVERNMENTS: Prior to the commencement of any mineral operations upon trust lands under mineral lease or permit the lessee or permittee must meet the notification, permitting and licensing requirements of all other state, local and federal government or quasi-governmental agencies having jurisdiction over the proposed operations or activities upon the lands.

Revised 9/2008